

Federal Reserve System

§ 223.2

- 223.22 What valuation and timing principles apply to asset purchases?
- 223.23 What valuation and timing principles apply to purchases of and investments in securities issued by an affiliate?
- 223.24 What valuation principles apply to extensions of credit secured by affiliate securities?

purchases from one affiliate an asset relating to another affiliate?

AUTHORITY: 12 U.S.C. 371c(b)(1)(E), (b)(2)(A), and (f), 371c-1(e), 1828(j), and 1468(a).

SOURCE: 67 FR 76604, Dec. 12, 2002, unless otherwise noted.

Subpart D—Other Requirements Under Section 23A

Subpart A—Introduction and Definitions

- 223.31 How does section 23A apply to a member bank's acquisition of an affiliate that becomes an operating subsidiary of the member bank after the acquisition?
- 223.32 What rules apply to financial subsidiaries of a member bank?
- 223.33 What rules apply to derivative transactions?

§ 223.1 Authority, purpose, and scope.

(a) *Authority.* The Board of Governors of the Federal Reserve System (Board) has issued this part (Regulation W) under the authority of sections 23A(f) and 23B(e) of the Federal Reserve Act (12 U.S.C. 371c(f), 371c-1(e)).

(b) *Purpose.* Sections 23A and 23B of the Federal Reserve Act (12 U.S.C. 371c, 371c-1) establish certain quantitative limits and other prudential requirements for loans, purchases of assets, and certain other transactions between a member bank and its affiliates. This regulation implements sections 23A and 23B by defining terms used in the statute, explaining the statute's requirements, and exempting certain transactions.

(c) *Scope.* Sections 23A and 23B and this regulation apply by their terms to "member banks"—that is, any national bank, State bank, trust company, or other institution that is a member of the Federal Reserve System. In addition, the Federal Deposit Insurance Act (12 U.S.C. 1828(j)) applies sections 23A and 23B to insured State non-member banks in the same manner and to the same extent as if they were member banks. The Home Owners' Loan Act (12 U.S.C. 1468(a)) also applies sections 23A and 23B to insured savings associations in the same manner and to the same extent as if they were member banks (and imposes two additional restrictions).

Subpart E—Exemptions from the Provisions of Section 23A

- 223.41 What covered transactions are exempt from the quantitative limits and collateral requirements?
- 223.42 What covered transactions are exempt from the quantitative limits, collateral requirements, and low-quality asset prohibition?
- 223.43 What are the standards under which the Board may grant additional exemptions from the requirements of section 23A?

Subpart F—General Provisions of Section 23B

- 223.51 What is the market terms requirement of section 23B?
- 223.52 What transactions with affiliates or others must comply with section 23B's market terms requirement?
- 223.53 What asset purchases are prohibited by section 23B?
- 223.54 What advertisements and statements are prohibited by section 23B?
- 223.55 What are the standards under which the Board may grant exemptions from the requirements of section 23B?
- 223.56 What transactions are exempt from the market-terms requirement of section 23B?

Subpart G—Application of Sections 23A and 23B to U.S. Branches and Agencies of Foreign Banks

- 223.61 How do sections 23A and 23B apply to U.S. branches and agencies of foreign banks?

Subpart H—Miscellaneous Interpretations

- 223.71 How do sections 23A and 23B apply to transactions in which a member bank

§ 223.2 What is an "affiliate" for purposes of sections 23A and 23B and this part?

(a) For purposes of this part and except as provided in paragraphs (b) and (c) of this section, "affiliate" with respect to a member bank means:

(1) *Parent companies.* Any company that controls the member bank;